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MRC News, Appointments and Operations

City authorizes fund for revitalization



preferred development plans and contributions of tax allocation district financing to specific projects.

With several redevelopment projects now underway and past the stage of MRC involvement, the redevelopment agency has begun to look at strategies to continue the City's revitalization. After nearly six months of research and negotiations between the MRC and City Council, the Council acted in June to create the Marietta Fund for Neighborhood and Community Revitalization and to capitalize "the Fund" with a contribution of \$2.1 million of City reserves. A

Since its creation in 2003, the Marietta Redevelopment Corporation (MRC) has served the City Council in an advisory capacity to jump-start redevelopment in socially and economically distressed neighborhoods of Marietta. The MRC has advised the City Council on projects planned for redevelopment sites that were owned and assembled by the City. MRC Board input and recommendations have focused on the selection of developers,

Development and Management Agreement between the City and MRC will govern management of the Fund. That agreement was approved in June and signed by Mayor Bill Dunaway, Chairman Floyd Northcutt and Vice Chairman Micky Blackwell at the MRC's Annual Meeting June 28.

Through the Fund, the MRC will selectively acquire, stabilize, and manage property on an interim basis, while working under an approved plan that will be presented in advance and adopted annually by the City Council. The MRC is not proposing to act as a developer, but will instead assemble, stabilize and market sites for future redevelopment. The Fund will temporarily invest a portion of the City's reserves into removing blighted properties, stabilizing neighborhoods, attracting private reinvestment, increasing the City's tax base and ultimately creating new residential and commercial customers for the Board of Lights and Water. When these efforts are completed and assembled sites are sold for redevelopment, sale proceeds will be returned to the City's reserves. While much local media attention has been focused on "giving taxpayer money" to the MRC, investments of Fund assets will effectively earn substantially higher rates of return than the City's current interest-bearing investments of its reserves. The MRC is working on the fiscal year 2007 Fund Work Plan and is expected to submit the plan to City Council in July. If the plan is approved, property acquisition could begin by the end of 2006.

Explore the MRC at new Web page

In June the Marietta Redevelopment Corporation launched a new and improved Web page for anyone who wants to stay informed about the City's role in the revitalization of Marietta. The MRC Web page can be accessed from the City of Marietta Web site Quick Links tool or directly at www.mariettaga.gov/mrc.

The updated page provides users information about MRC Operations, Redevelopment Areas & Tax Allocation Districts, Meetings/News and Redevelopment Projects. Tax Allocation District boundaries can be viewed online through built in GIS mapping programs or viewed in printable PDF format. Links are also provided to the City of Marietta Web site and city departments that work closely with redevelopment. Over time, visitors to the Web page will be able to download minutes of prior MRC meetings, relevant studies and reports, applications for TAD financing and related documents. The FY 2006 MRC Annual Report will be posted and available for viewing by July 24.

John Schupp appointed Director



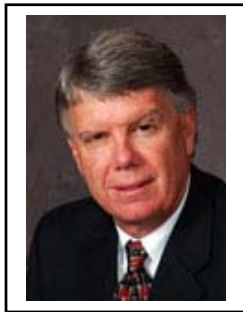
John Schupp, was appointed by City Council in June to serve on the MRC Board of Directors. Schupp will serve the remainder of a two-year term, created by the resignation of Amy Verner, expiring in April 2007.

Schupp holds a Bachelor of Architecture degree from the University of Cincinnati. As Senior Vice President of Development and Project Manager for Jones Lang LaSalle, Schupp is responsible for all phases of the development process, including anchor and key tenant negotiations,

architectural design, entitlements and zoning. Schupp has over 20 years of experience in project management and in consulting for design, property review, and development.

Schupp is a member of the International Council of Shopping Centers (ICSC), American Institute of Architects (AIA) and the National Council of Architectural Review Boards (NCARB). He holds state architecture licenses in Georgia, Maryland, and Ohio.

Economic Development Committee Chairman joins MRC Board

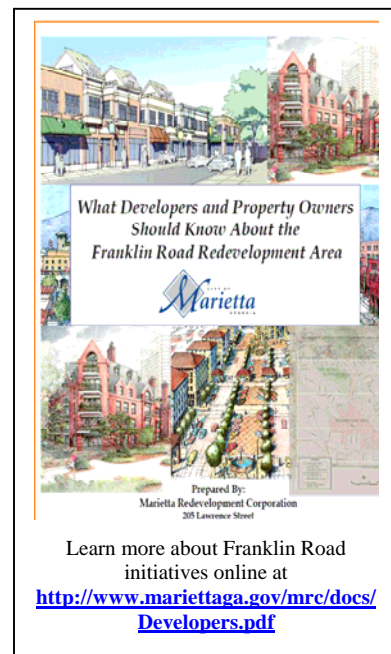


Ward 2 City Councilman and Chairman of the Marietta City Council's Economic Development Committee, Griffin Chalfant, now serves as a voting member of the MRC after City Council approved an amendment to the MRC Corporate Bylaws changing the composition of the now 14 member Board. The addition was prompted by negotiations between the City and MRC to start an equity reserve fund to assemble property for redevelopment and stabilize neighborhoods. The addition of the Economic Development Committee Chair to the Board will help to strengthen communication between the MRC and City Council and help to ensure proper oversight of public funds associated with future MRC activities by a City elected official.

What to Know About Franklin Road

In 2004, the City of Marietta included 260 acres of property fronting Franklin Road between the S.120 Loop and Delk Road in the Franklin/Gateway Tax Allocation District (TAD). Declining social and economic conditions, largely associated with the concentration of nearly 3,500 aging apartment units, served as justification for the City to establish the TAD. The TAD will be used in the future to pay for eligible redevelopment costs to encourage new investment on Franklin Road. The goal of redevelopment is to bring new homeownership and employment opportunities to the area through mixed-use developments.

While the MRC is actively working to attract major redevelopment projects, City officials are coordinating with State and Federal agencies to start positive change in the Franklin Road area. The planning process is well underway to introduce Bus Rapid Transit (BRT) service to Franklin Road, which has also been designated as an official Weed & Seed site by the U.S. Department of Justice. Transportation improvements will create redevelopment opportunities along the corridor, while the Weed & Seed program funds community development programs and increased law enforcement. Each one of these initiatives is discussed in detail in the following articles.



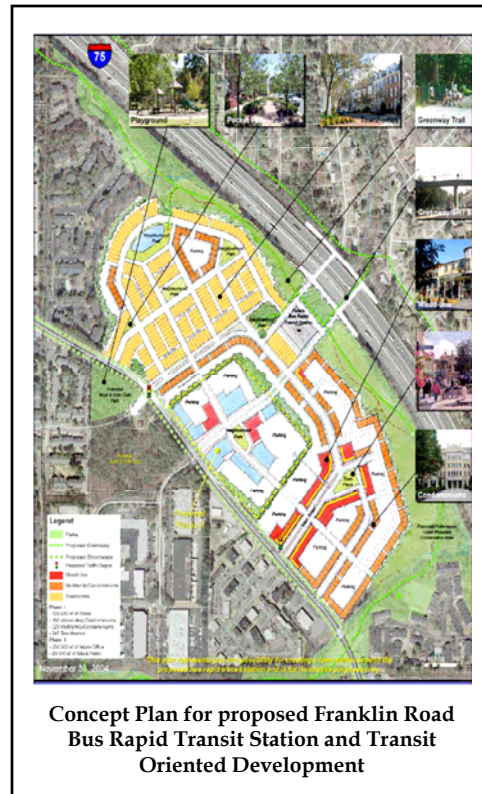
GRTA Plans Transit Station for Franklin Road

The Georgia Regional Transportation Authority (GRTA) and Georgia Department of Transportation (GDOT) are planning major improvements for the northwest corridor of metropolitan Atlanta. Work on the Draft Environmental Impact Statement (DEIS) for the Northwest Corridor (I-75/I-575) project is continuing, and a report is expected to be released by November 2006. Proposed I-75/I-575 improvements are likely to include takings of property on the east side of Franklin Road and the creation of potential transit-related redevelopment opportunities.

One of the first redevelopment opportunities may present itself around a proposed Franklin Road Bus Rapid Transit (BRT) station, which will carry commuters to additional stations between Town Center and Downtown Atlanta. A BRT station on Franklin Road is likely to be proposed in the DEIS. Such a facility could benefit commuters who are looking to reduce travel times and costs. The proposed station may also help the City's Franklin Road revitalization efforts by creating opportunities to introduce transit-oriented and mixed-use development to the area.

While the proposed Franklin BRT Station is an opportunity for Marietta and supports the City's redevelopment goals, the importance of the Northwest Corridor project spans beyond the area currently targeted by the City for revitalization and improved housing. The Northwest Corridor, with a population over 400,000, has long been recognized as one of Atlanta's most congested travel corridors. GDOT and GRTA have coordinated their planning efforts with the Federal Highway Administration (FHWA) and Federal Transportation Authority (FTA) to propose needed transportation improvements for the area.

Northwest Corridor plans currently propose to construct high occupancy vehicle (HOV) lanes and truck only lanes (TOL) along I-75 between Akers Mill Road and Hickory Grove Road; HOV lanes on I-575 from the I-75/I-575 Interchange to Sixes Road in Cherokee County; a BRT system along the I-75 corridor from Cobb County to Downtown Atlanta, with BRT stations between the Cumberland and Town Center areas. For more information visit on the Northwest Corridor project site at www.nwhovbrt.com.



Attend the next Station Area Development Planning (SADP) Open House:

Thursday, July 20, 2006 from 6:30 to 8:30 p.m.

at The Center for Family Resources

995 Roswell Street, Marietta, GA 30060

**For more information visit www.nwhovbrt.com or
call the GDOT Hotline at 404-377-4012**

Franklin Road designated Weed & Seed site

The Franklin Road neighborhood of the city of Marietta has been selected as an officially recognized Weed and Seed site by the United States Department of Justice. Operation Weed & Seed is a community based initiative with a multilevel strategic plan that includes four basic components: law enforcement; community policing; prevention, intervention, and treatment; and leveraging of resources.

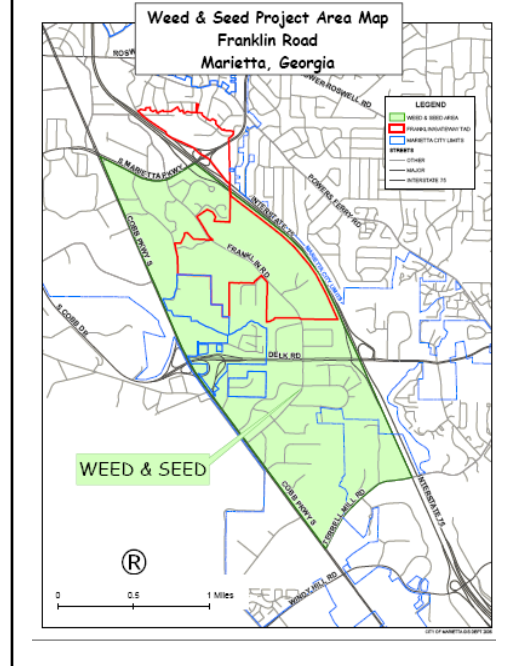
The selection of the Franklin Road neighborhood is the result of a four-year effort by the city to produce positive changes for the residents and business owners in the area. The effort began with the establishment of the Franklin Road Task Force, Franklin Road Community Association, and the Weed & Seed Committee. Local organizations participating in the Weed & Seed effort include the Boys & Girls Club, Travelers Aide, the Latin American Association, Southern Polytechnic State University and individuals living along Franklin Road. These participants have all played key roles in securing this important program.

A Weed & Seed program may receive assistance for up to five years. The assistance will be applied to increase local police patrols, fund positive community assistance programs for youth, toughen code enforcement and provide education services for immigrant residents to integrate them into the community.

The United States Department of Justice provides national leadership and management of the program while stressing collaboration, coordination and community participation. The initiative allows communities using the Weed and Seed to develop and undertake efforts tailored uniquely to the issues, needs and concerns of each neighborhood. There are currently nine Weed and Seed communities in Georgia with two in the metro area.

Weed & Seed Committee Chair and Franklin Road resident and apartment manager Angela Smith, along with others involved in Weed & Seed, shared the Franklin Road community's success story at the All America City Finals in Anaheim, California, in June. Weed & Seed was one of three programs presented to judges to show how Marietta has used community partnerships to promote positive change over the last three years. The success of the Weed & Seed designation and community development efforts that will continue under the program helped Marietta win the All America City award, and become the first Georgia city to win in 30 years.

The Franklin Road Weed & Seed Project Area includes property between Cobb Parkway (US 41), I-75, S. Marietta Parkway (S120 Loop), and Terrell Mill Road.



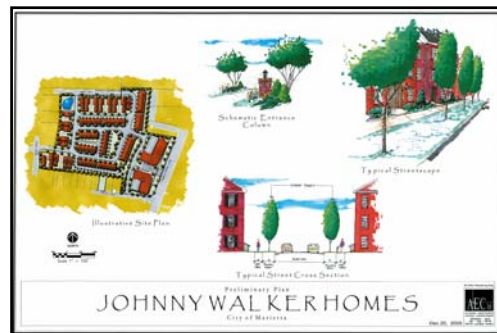
Projects In and Around Downtown

Developers Purchase Redevelopment Sites

Myrick Company's Redevelopment of "JWH"

In April, the City of Marietta and Alpharetta based Myrick Company finalized the sale of the former Johnny Walker Homes public housing site and adjacent parcels assembled for redevelopment. The mixed-use development is set to begin construction this September with units available for move-in by the first quarter of 2007.

Myrick was selected under the City's second request for proposals process to redevelop the 10.68-acre site. Myrick has made some revisions to their plan since it was originally approved in August 2005. The development will now include approximately 50,000 square feet of retail and office space and 45 residential condominiums in two mixed-use buildings located along Powder Springs Street with 58 townhomes and 18 single family detached homes on the remainder of the 10-acre site. Condos average 1,200 SF and \$228,000 a unit. Single-family homes range from 2,300 to 3,000 SF starting in the low \$400,000's and townhomes range from 2,200 to 2,995 SF starting in the high \$200,000's.



Winter Properties' Redevelopment of Clay Homes

The Marietta Housing Authority and Atlanta based Winter Properties finalized the sale of the former Clay homes public housing site and adjacent parcels assembled for redevelopment. Winter is in the process of removing asbestos to complete demolition of remaining buildings. Groundbreaking for the development, which will be constructed in phases, will take place this fall. The first design phase consists of a condominium building on the park with structured parking and ground level retail space as well as townhomes on the development's main street.

Winters' overall plan for the 11-acre site on Roswell Street, as proposed and approved in 2005, includes approximately 32,000 square feet of retail and 47,000 square feet of office space and 166 residential condominiums, 125 townhomes and 9 single family detached homes. Condominiums average 1,500 SF priced from \$170,000 to \$480,000. Single family detached and townhomes average 2,500 SF and will be priced from the mid \$300,000's to more than \$700,000. The total project value is now expected to exceed \$114 million.



Updates & Announcements

Emerson Coffee Co. Heats up Roswell Street

With redevelopment projects popping up along Roswell Street near the Marietta Square, coffee connoisseurs now have a new spot to enjoy. Emerson Coffee Company opened for business this spring one block north of an area set to gain more than 600 middle-to-upper income households over the next five years. The name “Emerson” comes from the Developer who rehabilitated the former Coca Cola building into luxury offices, constructed the upscale Emerson Hill townhomes and is planning the mixed-use development Emerson Overlook. All of the Emerson developments are located on Roswell Street.



The coffee shop, located at the intersection of Roswell Street and Doran Avenue, features a brick exterior and building designs in accordance with the Roswell Street Commercial Corridor Design Overlay District. Emerson Coffee offers convenient drive-thru service and indoor seating with free Wi-Fi Internet access. In addition to specialty coffee drinks, Emerson offers fresh bakery items and a view of the revitalization of Roswell Street.

Manget in Historic Marietta

Manget in Historic Marietta southeast of the Marietta Square has officially started construction. All homes are EarthCraft certified, made with resource-efficient building materials and designed to reduce energy costs, making for a healthier home. Hedgewood poured the footings and started construction of three townhomes and two single-family homes in June and plans to continue construction with five more townhomes along with three single-family homes in July.



Manget in Historic Marietta is planned in phases and will have a total of 265 residential units including condominium flats, townhomes and single-family detached homes. Single-family homes range from 1,850 to 2,500 SF starting in the \$400,000's and townhomes range from 1,500 to 2,400 SF starting in the \$300,000's. The majority of Manget's condos will be constructed during Phase II starting in the \$200,000's.

Hedgewood has relocated their sales and construction trailers to allow additional off street parking and to prepare the planned community's first park for dedication after the first homes are complete. A Preferred Purchaser Event is tentatively planned for the end of July or early August for interested parties who have contacted Hedgewood and are in their database. For more information visit <http://www.hedgewoodhomes.com/comingsoon.asp>.

Marietta Real Estate Trends

City Housing Starts up Sharply in 2006

Contrary to countywide and regional trends, housing construction in Marietta has increased substantially compared to a year ago. According to the latest US Census Bureau report on monthly housing starts, Marietta had issued permits for 301 new housing units in 2006 through May, compared to only 87 permits issued during the same period in 2005. Single-family housing starts, which by Census definition include both single-unit detached and fee-simple townhomes, were up by nearly 68% in Marietta compared to a year ago. The substantial increase in multi-family construction during 2006 is due to projects such as the Walton Village apartment community on Austell Road and the Marietta Mill Lofts redevelopment project.

Comparison of Marietta and Cobb County Housing Starts: January through May 2006

YTD Construction [1]	Units		Average Unit Cost [2]		Change: 05-06			
	2005	2006	2005	2006	Units Number	Percent	Unit Cost Number	Percent
Cobb County								
Single Family[3]	2,057	1,699	\$ 195,941	\$ 213,708	-358	-17.4%	\$ 17,767.03	9.1%
Multi-Family	228	716	\$ 169,868	\$ 85,022	488	214.0%	\$ (84,845.63)	-49.9%
Totals:	2,285	2,415	\$ 193,340	\$ 175,556	130	5.7%	\$ (17,784.23)	-9.2%
City of Marietta								
Single Family[3]	87	146	\$ 235,976	\$ 226,078	59	67.8%	\$ (9,898.50)	-4.2%
Multi-Family	0	155	-	\$ 50,989	155	NA	\$ 50,989.12	NA
Totals:	87	301	\$ 235,976	\$ 135,916	214	246.0%	\$ (100,060.31)	-42.4%
NOTES:								
[1] Number of residential building permits issued (including imputed values) year-to-date through May, 2006 compared to the same period a year ago.								
[2] Average construction cost per unit as reported on building permits (excludes land values).								
[3] Single family units include fee-simple townhomes.								

Source: US Census Bureau.

Year to date trends in Marietta contrasted sharply with the county as a whole, which saw a 17% reduction in single-family housing starts compared to the same period a year ago. Marietta's share of total countywide housing starts rose from only 3.8% during the first 5 months of 2005 to more than 12.5% during the same period this year. The average reported construction cost of single-family units permitted in Marietta was 6% above the county average, while the average value of multi-family construction was 67% lower than the county as a whole.

According to more updated information supplied by the city's building inspection department, thus far in 2006 the City of Marietta has issued building permits for 90 new single family detached homes, 105 townhomes and condominiums plus 125 apartment units. The total reported construction cost of all ongoing residential and commercial development in the city exceeded \$93.6 million for the first half of the year. Construction activity is likely to continue at a rapid pace with the pending start of several redevelopment projects over the next six months.